



# PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

## EMPLOYMENT TRENDS

The Panhandle's seasonally adjusted unemployment rate fell from 7.7 percent in May 2003 to 6.0 percent in May 2004, while *Total Employment*—the number of employed residents—grew 5.0 percent. During the same period, *Nonfarm Payroll Jobs* rose an impressive 4.7 percent, and no industrial sectors lost jobs. The industrial sector enjoying the most job gains was *Retail Trade*, adding 580 jobs from May 2003. The retail growth represents a major turnaround; between May 2000 and May 2003, *Retail Trade* lost 430 jobs. After three years of decline, mining and manufacturing are growing again. *Construction* employment is at record levels. The hot housing market and growing commercial construction also are responsible for the strength of *Financial Activities*, which includes banks, credit unions, insurance, title insurance, and real estate. The tourism sector now exceeds its previous records set prior to September 11, 2001. Growing populations and larger tax collections are allowing public school, community hospital, and government agencies to add jobs.

## AREA DEVELOPMENTS

### Benewah County

- Benewah County is benefiting from stronger lumber and plywood prices, continued expansion of the Coeur d'Alene Tribe, the revitalization of downtown St. Maries, and the new tourists brought by the 72-mile recreation Trail of the Coeur d'Alenes.

### Bonner County

- Bonner County, whose economy grew the fastest of the five Panhandle counties during the last two years, is enjoying another year of strong job growth. Its manufacturing sector continues to add dozens of jobs, while construction has soared above its previous record levels and tourism is pushing above its

Panhandle Table 1: Labor Force & Employment

	May 2004*	Apr 2004	May 2003	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	94,450	94,310	91,590	0.1	3.1
Unemployed	5,650	5,210	7,030	8.4	-19.6
% of Labor Force Unemployed	6.0	5.5	7.7		
Total Employment	88,800	89,100	84,560	-0.3	5.0
<b>Unadjusted</b>					
Civilian Labor Force	94,500	93,680	91,690	0.9	3.1
Unemployed	5,520	6,390	6,950	-13.6	-20.6
% of Labor Force Unemployed	5.8	6.8	7.6		
Total Employment	88,980	87,290	84,740	1.9	5.0
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs** - NAICS</b>	72,060	70,290	68,820	2.5	4.7
<b>Goods-Producing Industries</b>	13,280	12,770	12,860	4.0	3.3
Natural Resources & Mining	1,230	1,060	1,200	16.0	2.5
Construction	4,970	4,690	4,680	6.0	6.2
Manufacturing	7,080	7,020	6,980	0.9	1.4
Wood Product Manufacturing	2,720	2,720	2,710	0.0	0.4
Other Manufacturing	4,360	4,300	4,270	1.4	2.1
<b>Service-Providing Industries</b>	58,780	57,520	55,960	2.2	5.0
Trade, Transportation, & Utilities	13,860	13,740	13,090	0.9	5.9
Wholesale Trade	1,410	1,400	1,380	0.7	2.2
Retail Trade	10,780	10,600	10,200	1.7	5.7
Utilities	400	400	380	0.0	5.3
Transportation & Warehousing	1,270	1,340	1,130	-5.2	12.4
Information	1,340	1,350	1,110	-0.7	20.7
Financial Activities	3,130	3,100	2,850	1.0	9.8
Professional & Business Services	6,760	6,490	6,420	4.2	5.3
Educational & Health Services	7,160	7,080	6,820	1.1	5.0
Leisure & Hospitality	9,010	8,410	8,600	7.1	4.8
Other Services	2,330	2,290	2,260	1.7	3.1
Government Education	5,340	5,350	5,170	-0.2	3.3
Government Administration	8,650	8,510	8,440	1.6	2.5
Government Tribes	1,200	1,200	1,200	0.0	0.0

\* Preliminary estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

pre-9/11 highs. Trying to keep up with the growing resident population, as well as increased visitors, retail, services, and government are adding jobs at a strong clip.

- For the second time this year, Sandpoint has received national attention as an exceptional place to live. The city of 6,835 residents still is greeting visitors and prospective residents drawn by the January issue of *Sunset* magazine, which named Sandpoint as the "No. 1 Small Town to Live In." Now, *Outside* magazine's August issue features Sandpoint on its list of 20 "dream towns" in which to live and play, and calls Sandpoint "the Cool Northwest's Hot Property." The article tells *Outside's* two million readers about the outdoor adventures offered by Schweitzer Mountain Resort and Lake Pend Oreille, and describes Sandpoint's small-town sense of community, mentioning the

Panida Theater, Lost in the 50s, and Winter Carnival. The article praises the local restaurants: “‘The best place to eat in Spokane,’ goes the joke about the city of 194,000 lying 75 miles southwest, ‘is in Sandpoint.’”

- In early June, Sandpoint Air began offering commercial air service between Sandpoint and Boise, and between Sandpoint and Seattle four days a week. In the past, Sandpoint residents had to rely on Spokane for air service. The new air service reduces the cost of doing business for many local businesses, increases the area’s ability to attract new businesses, and makes it easier for tourists to visit.
- The Festival at Sandpoint sold all its season passes by the end of May, two months earlier than last summer. Last summer was a record season for the eight-night concert series, so this year’s Festival, beginning August 5, should shatter the record.
- Surging hotel-motel receipts, featured in the Idaho Tax Commission’s Travel & Convention Tax report, provide further evidence that this summer probably will bring even more visitors to the area than last summer. Hotel-motel receipts in Bonner County totaled \$542,640 this June—18.3 percent higher than the previous June and 17.7 percent higher than the previous record for the month of June, set in 2000.
- The Ripple Creek Trading Company, at 405 East River Loop on beautiful Priest Lake, creates rustic home furnishings, including lamp shades, mantel clocks, birch lamps, cabinets, and shelves. Owned by Tim and Dawn Petek, it sells its products at Entrée Gallery in Nordman and at Northwest Handmade in Sandpoint, as well as on-line at [www.ripplecreektradingco.com](http://www.ripplecreektradingco.com). The Peteks also accept custom orders.

#### Boundary County

- Boundary County’s retail and service sectors are growing despite the loss of one of its largest employers, the 140-employee Louisiana-Pacific mill in Bonners Ferry that closed last fall. Construction activity has risen to an all-time high, and tourism appears set to beat its previous levels. Ornamental tree nurseries and Christmas tree farms are increasing sales and employment. The competition for workers has intensified this year. In June, local employers listed 174 job openings with the Bonners Ferry Commerce & Labor office (formerly known as Job Service). On average in the previous four Junes, employers listed 81 jobs.

#### Kootenai County

- In spring 2005, a 90-room Holiday Inn Express hotel will open at 175 West Orchard Avenue east of the Triple Play entertainment complex in Hayden. A sky bridge will connect the inn to Triple Play. Adding to

the entertainment possibilities, the inn will feature a wave pool with tube slides, hot tubs, and a retractable roof. The pool area will primarily entertain hotel guests, but will be open to the public when the hotel is at low occupancy. Triple Play’s owner John Geddes and his partners, hotel owners Jack Nelson and his son Brett, will spend \$7 to \$10 million on the construction slated to start this summer. The inn, which will be Hayden’s first hotel, will create about 35 new jobs.

- Kootenai Medical Center (KMC), the 225-bed hospital in Coeur d’Alene, celebrated the grand opening of its North Idaho Heart Center June 4. The \$9.6 million, 35,000-square-foot addition to the hospital includes new cardiac services including open-heart surgeries and two cardiac catheterization labs, as well as existing cardiology services such as stress tests and echocardiograms. In July, the helipad in the hospital’s parking lot was replaced by a rooftop helipad on top of the heart center. The North Idaho Health Center is expected to serve 1,200 patients a year. The heart center is part of KMC’s long-term expansion, which has brought employment at the hospital close to 1,600 jobs. In September, KMC will break ground on a \$5.2 million, 400-car parking garage.
- Boat Werkes, owned by Stacy Duke Akana and Carl Grub, recently began producing 17-foot and 19-foot sports-fishing boats in Post Falls. The 13,000-square-foot, \$750,000 facility on East Seltice Way provides plenty of space for executive offices, showrooms, and research and development, as well as boat production. The Makai boats combine the strength and durability of an aluminum hull with the flexibility and aesthetics of a fiberglass deck, and are made to handle well in rough water and surf.
- Hagadone Hospitality, owner of the Coeur d’Alene Resort, opened the Bonsai Bistro in late June. The 200-seat Asian restaurant, featuring a waterfall and an indoor garden, employs 85 people. It is located in the former Dakota Direct building across Sherman Avenue from the Coeur d’Alene Resort. Dakota Direct closed its call center there in February.
- This June, for the second year in a row, Coeur d’Alene hosted the Ironman Triathlon. The triathlon—an event where participants swim 2.4 miles in Lake Coeur d’Alene, bicycle 112 miles, and run 26.2 miles—brings thousands of athletes and spectators in June, which usually is a relatively slow tourist month. From Post Falls to Wallace, hotels were sporting “No Vacancy” signs the last weekend in June because of the triathlon. Coeur d’Alene is set to host the Ironman for at least the next three years.

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It's important to remember that many people do not wait to retire until they're 65, but at the same time many people do not choose to retire after they're 65. In 2000 more than 18,000 Idahoans 65 years old and over were participating in the labor force. Table 5 on page 26 shows the labor force participation rates of Idahoans in various age groups in 2000.

There is good reason to believe that an even higher proportion of people who are 65 years and over will stay in the labor force during the next couple of decades. Idaho Commerce and Labor offices across the state report that since 2000 more older people are choosing to stay in the labor pool. According to a *New York Times* study in early 2004, one out of four American workers 45 years of age and older report delaying retirement.

#### Reasons why people are postponing retirement

- Many people are entering their 60s and 70s far healthier than earlier generations did. Some have the energy and desire to continue to contribute in the workplace.
- Rising health care costs prevent some individuals with health problems in their family from leaving employers that provide health insurance at a reasonable cost.
- Some individuals haven't saved enough money, or lost their pensions through the closure, merger, or reorganization of their employers. Others lost sig-

nificant amounts of their portfolios during the troubled stock market of 2001. Some have been stymied by the exceptionally low interest rates of the last couple of years, which provides considerably less interest income than they anticipated.

- It's more likely that people in their 50s and 60s in the future will still have children in college, because in the last two decades more people are starting their families later in life.
- Many grandparents are becoming responsible for raising their grandchildren. Those individuals may postpone their retirements so they can support their grandchildren. According to the 2000 Census, in 8,110 Idaho families, grandparents were raising their grandchildren.

Replacing older workers will be difficult, but Idaho will have a comparative advantage.

Whether they retire at 55, 65, or 75, boomers eventually will retire, and many industries will be hard-pressed to replace them. Because of Idaho's younger age structure and long-term population growth, Idaho industries will find it somewhat easier to replace workers as they retire.

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- Lydig Construction currently is constructing a 13,000-square-foot administration building at the Burlington Northern Santa Fe (BNSF) Railway's locomotive refueling depot near Hauser Lake. The buildings, railroad track, and equipment cost more than \$30 million. When it opens this fall, the depot will fuel BNSF trains on their way to and from Seattle. In June, BNSF began recruiting 20 laborers to work at the depot. Altogether, about 45 people will work at the depot.

#### Shoshone County

- Shoshone County's economy is enjoying increased *Mining* employment, exceptional construction activity, growing interest from tourists, a hot housing market for the first time in 20-plus years, growth in its retail sector led by Dave Smith Motors, and an improved outlook for its *Manufacturing* sector.
- Hecla Mining's Lucky Friday mine near Mullan continues to expand. After it laid off more than 100

workers in the fall of 2001, the Lucky Friday's employment fell to 60 people. By June 2002, its employment had risen to 90 where it stayed until the beginning of 2004. By March its employment had risen to 114 people. Now it employs 140 people. Improved metal prices during the last year, plus development of a promising deposit, have given the Lucky Friday a second wind. Silver prices were hovering around \$4.30 an ounce when Hecla made its 2001 layoffs. By July 14, 2003, the price of silver was \$4.79 per ounce. On July 14, 2004, it was \$6.38. Hecla engineers believe the mine, which has produced 127 million ounces of silver in the last 50 years, could still contain 90 million more ounces of silver.

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